

12/14/2004

1765075 - R8 SDMS

Sheldon Muller  
US EPA Region VIII

# STATE OF COLORADO

Bill Owens, Governor  
Douglas H. Benevento, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department  
of Public Health  
and Environment

December 16, 2004

Lee Hanley, 8ENF-T  
U.S. EPA Region 8  
999 18th Street, Suite 500  
Denver, CO 80202

**Re: Industrial Wastewater Discharge Inspection Report for:  
Rico Development Corporation St. Louis Tunnel Mine and Mill Site  
CDPS Permit # CO-0029793  
approx. 1 mile north of Rico, Dolores County, Colorado**

Dear Ms. Hanley:

Attached please find a copy of Colorado Department of Public Health and Environment - Water Quality Control Division's November 23, 2004 inspection report for the above listed facility.

Please copy and distribute this report as you deem necessary.

If you have any questions or wish to discuss this situation further, please feel free to call me at (970) 247-5702, ext # 273.

Sincerely,

Gregory N. Brand, P.E.  
District Engineer - Durango District Office  
Water Quality Control Division

cc: Eric Heil, Town of Rico  
LeRoy Gore, Dolores County Commissioners  
Sheldon Muller, US EPA-Region 8-Denver  
Tony Trumbly, Colorado Department of Law  
Tom Schaffer, WQCD-Grand Junction  
Leslie Simpson, WQCD-Denver

attachment: inspection report

# CDPS FACILITY INSPECTION REPORT

Code	CDPS Permit No.	Insp. Date	Insp Type	Inspector	Facility Type	Rating	Biomonitoring	QA	County No.
N	CO-0029793	11/23/2004	C	S	2	1	N	N	17

## Name of Facility

Rico Development Corp. - St. Louis Tunnel and Mine

## Entry Time

11:50:00 AM

## Permit effective date:

2/1/1994

## Physical Location:

1 mile north of Rico, just east of Dolores River

## Permit expiration date:

1/31/1999

## Name(s) of On-Site Representative(s)

none

## Phone No.

## Facility Mailing Address:

none

## Treatment

Facility Level:

B

Operator Level

Certificate #:

Operator in charge:

none

Email Address:

# of Operators:

0

Phone #:

## Collection

Facility Level:

Operator Level

Certificate #:

Operator in charge:

Email Address:

# of Operators:

Phone #:

## Name(s) of Person(s) Conducting Inspection

Gregory Brand

## Title:

District Engineer

## Phone No.

970-247-5702

(S = Satisfactory, M = Marginal, U = Unsatisfactory, N/A = Not Applicable, N = Not Evaluated)

U Permit

U Records/Reports

U Site Review

U Flow Measuring

U Laboratory

U Effluent/Receiving Water

N Pretreatment

U Compliance Schedule

U Self monitoring

U Operations/Maintenance

n/a Biosolids Disposal

N Stormwater

n/a SSO CMOM

On Site Analysis: none

Contract Lab none

Total Taps:

1

Industrial Taps

1

Sample Per Permit: No

Does Permit Match Facility?: No

No. of Lift Stations

0

I/I Problem:

No

## Treatment Process(es) Used

Design Capacity - Hydraulic (MGD):

Present Hydraulic Loading (MGD):

0.8

Hydraulic Capacity Used %:

Design Capacity - Organic (#/day):

Present Organic Loading (#/day):

Organic Capacity Used %:

## Treatment Units

☐ Barscreen

☐ Mechanical Bar Screen

☐ Comminutor

☐ Grit Removal

☐ Primary Clarifier

☐ Activated Sludge

☐ RBC

☐ SBR

☐ Trickling Filter

☐ Secondary Clarifier

☐ Anaerobic Digester

☐ Aerobic Digester

☐ Filter Press

☐ Centrifuge

☐ Drying Bed

☐ CL2

☐ DeCL2

☐ UV

☐ Filter

☐ Coagulation

☐ Polishing Pond

☐ Lagoon

☐ Aerated Lagoon

☐ Land Trmt / Reuse

☐ Wetland

Other Treatment

Series of approx. 10 settling ponds with discharge to the Dolores River

## COMMENTS:

See narrative inspection report for details

Outfall

Latitude

Longitude

Flow Device

Date Calibrated

Accurate?

Outfall Name

002

37 42' 04" N

108 01' 50" W

9-inch parshall flume

No

Dolores River

DEC 27 2004


**Colorado Department of Public Health and Environment  
Water Quality Control Division  
Industrial Wastewater Discharge Inspection Report for:**

**Page 1 of 4**

**Rico Development Corporation  
St. Louis Tunnel Mine and Mill Site  
CDPS Permit # CO-0029793  
approx. 1 mile north of Rico, Dolores County, Colorado**

**Date of Inspection:** November 23, 2004

**Inspector:** Gregory Brand, District Engineer  
Durango District Office  
Water Quality Control Division

  
ph# 970-247-5702, ext # 273

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WQCD did not contact Rico Properties / Rico Renaissance (Rico, CO) prior to WQCD's inspection at the Rico Development Corporation St. Louis Tunnel Mill and Mine Site ("the Site"). Although, neither Rico Properties or Rico Renaissance admit ownership or responsibility for the site and wastewater treatment facilities, neither parties have objected to WQCD visiting the Site. Both Rico Properties and Rico Renaissance have offered their assistance to WQCD if we needed any. Rico Properties / Rico Renaissance have an on-going open invitation to WQCD and EPA to access the Site, take samples, take photographs, etc., whenever we need to.

**Rico Development Corporation:**

Wayne E. Webster (owner, reported as Deceased)  
P.O. Box 592  
Athens, Texas 75751

**Rico Renaissance L.L.C. and Rico Properties L.L.C.**

Lynn Lang (office manager) and Stan Foster (realtor, developer)  
Rico Properties LLC  
P.O. Box 220  
Rico, Colorado 81332 ph# 970-967-5440

U.S. EPA Region 8 and Colorado Department of Law filed a lawsuit in federal court against Rico Development Corporation (and the Estate for Rico Development Corp) for violations of the Clean Water Act. WQCD-Durango understands that a settlement has been reached between the parties and that a final action (Consent Decree) has been issued by the federal court. U.S. EPA Region 8 is currently coordinating enforcement activities. U.S. EPA is considering a possible CERCLA (SuperFund) action for the Site and various areas near the Site.

WQCD-Denver has hired a contractor to prepare a Preliminary Water Quality Assessment that would be used to establish "effluent discharge limits" for a future permittee. WQCD-Durango understands that the Assessment is in "Draft Form" and that the Draft Assessment is being discussed with Atlantic-Richfield Company (Arco Minerals).

WQCD-Durango understands that Atlantic-Richfield Company (Arco Minerals) typically employs local contractors to visually inspect the Site approximately once a month year round, with more inspections occurring during the summer months. Atlantic-Richfield Company (Arco Minerals) is considering to financially support the planning, designing, and building of a new or modified water treatment facility at the Site.

Discussions have begun to see if a "non-profit group" can be formed which would apply for and hold an "industrial wastewater discharge permit" for the Site. WQCD-Durango understands that this group would then be responsible for compliance with any issued permits, for the operation of any treatment systems, and for maintenance of the Site.

**Contacts:**

**U.S. EPA Region 8 and Colorado Department of Law and Water Quality Control Division**

Lee Hanley, 8ENF-T ph# 303-312-6555  
U.S. EPA Region 8  
999 18th Street, Suite 500  
Denver, CO 80202

Tony Trumbly ph# 303-866-5054  
Natural Resources Section  
Colorado Department of Law  
1525 Sherman Street, 5<sup>th</sup> Floor  
Denver, CO 80203

Sheldon Muller, 8ENF-L ph# 303-312-6916  
Enforcement Attorney  
U.S. EPA Region 8  
999 18th Street, Suite 500  
Denver, CO

Susan Nachtrieb ph# 303-692-3510  
Water Quality Control Division – Permits Unit  
Colorado Department of Public Health &  
Environment - Denver

**Voluntary Cleanup Contacts**

Mark Walker, HMWMD-B2 ph# 303-692-3449  
Voluntary Cleanup Specialist  
Colorado Department of Public Health & Environment  
Hazardous Materials & Waste Management Division  
4300 Cherry Creek Drive South  
Denver, Colorado 80246-1530

Chuck Stillwell ph# 406-782-9964, ext# 413, fax# 406-782-9980  
Atlantic-Richfield Company  
(Arco Minerals)  
317 Anaconda Road  
Butte, Montana 59701

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On Tuesday, November 23, 2004 WQCD (G. Brand) conducted an inspection of the Site.

WQCD inspected the St. Louis Tunnel, the wastewater treatment facility, the St. Louis Settling Pond system, Outfall 002 which is the permitted discharge point from the Pond system to the Dolores River. WQCD did not inspect Outfall 001 (also known as the Blaine Tunnel) because the location was not accessible due to deep snow on the road to the Blaine Tunnel.

The access road gate to the St. Louis Tunnel Site was locked and closed. A "new" sign was posted on a pole near the gate which read as "No Trespassing". The WQCD inspector walked around the locked gate and toured the Site. Approximately 1-foot of snow was on the ground at the Site.

A large steady flowrate (unable to estimate) of turbid orangish-yellow colored liquid was discharging from the St. Louis Tunnel Portal. The mine drainage flow apparently is suppose to split with part going directly to the Settling Pond system with the other part going to the wastewater treatment facility. The Splitter Box, which is located between the St. Louis Tunnel Portal and the wastewater treatment plant, was arranged such that all the mine drainage was directed into the Settling Pond system. No mine drainage flow was directed into the wastewater treatment plant.

Several years ago heavy black liner material was placed in the diversion channels from the St. Louis Tunnel Portal to the Settling Pond system. It appeared that all mine drainage was flowing in the lined diversion channels to the Settling Pond system. Apparently, in the summer or fall 2002, Atlantic-Richfield Company (Arco Minerals) diverted the mine drainage so that all the Settling Ponds are again being utilized. The uppermost Settling Ponds were receiving mine drainage. The uppermost Settling Ponds had little ice cover on them. The middle Settling Ponds were partially covered with ice. The lowest Settling Ponds were mostly covered with ice.

WQCD did not see any of the orangish-yellow mine drainage being discharged directly from the St. Louis Tunnel Portal into the Dolores River. It appeared to WQCD that the mine drainage is flowing through the Settling Ponds prior to discharge to the Dolores River.

WQCD-Durango understands that the CDPHE-HMWMD-Voluntary Cleanup Program has done some ground water investigation work at the Site. A piezometer well has been installed on the berm of the upper-most large Settling Pond between this Settling Pond and the Dolores River.

WQCD-Durango understands that Atlantic-Richfield Company (Arco Minerals) did some work in 2004 at the Site that included maintenance work on the Settling Pond berms and installing several new outlet flow-through structures (between the settling ponds) at the middle settling ponds.

For over eight (8) years, the wastewater treatment plant (lime addition operation) has apparently been locked, and completely shut-down and non-operational. No records appeared to be kept on-site. No certified wastewater treatment operator was on-site.

In general, the St. Louis Tunnel mine drainage flows into the Settling Pond system and then flows from one pond to the next (approximately a total of 10 ponds). The initially turbid water becomes clearer as the water flows through the Settling Pond system. The entire wastewater surface flow from the Settling Pond system appeared to flow through permitted discharge point (Outfall 002). This discharge goes directly into the Dolores River.

WQCD estimated the flowrate through the parshall flume at approximately 800,000 gallons per day. The location of Outfall 002 has been measured at Latitude 37 42.06 N, Longitude 108 01.83 W.

WQCD did not take water quality grab samples at Outfall 002.

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WQCD (G. Brand) did not inspect the Blaine Tunnel (Outfall 001), located east of Rico, up Silver Creek. The access road to the Blaine Tunnel had more than a foot of snow and was not passable by car.

WQCD did not take any samples at the Blaine Tunnel (Outfall 001).

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**Continuing Wastewater Discharge Permit Violations**

1. PC Part I.A.1.b. Effluent Limitations from Outfall 002 WQCD strongly suspects that the wastewater treatment plant (lime addition operation) has been non-operational for over (8) eight years, and that effluent limitations are being exceeded.
2. PC Part I.B.1.a. and PC Part I.B.2 According to WQCD-Denver records, the last Discharge Monitoring Report ("DMR") was filed with WQCD-Denver for August 1996. Therefore, over eight (8) years of required monitoring has not been performed and reported as per permit conditions.
3. PC Part II.A.3 WQCD-Durango does not believe the permittee has provided WQCD-Denver and/or EPA Region 8 with the proper notification regarding non-compliance at Outfall 002.
4. PC Part II.A.5 and A.6 WQCD-Durango does not believe that the permittee notified WQCD that a bypass of the Wastewater Treatment Plant has been occurring.
5. PC Part II.A.9 The permittee has not taken all reasonable steps to minimize adverse impacts to State waters. For over eight (8) years, the permittee has apparently stopped treating the mine drainage from the St. Louis Tunnel and monitoring Outfall 002, which discharges into the Dolores River. No routine maintenance is occurring at the Site.
6. PC Part II.A.12 For over eight (8) years, the permittee has apparently not properly operated and maintained all facilities and systems of treatment and control which are included under this permit.
7. PC Part II.B.3 Although the permittee (Rico Development Corporation) has claimed that they are not responsible for the site or the permit, no transfer of ownership or control of this permit was made in accordance with this permit condition. WQCD-Durango is not aware of any written agreements regarding transfer of permit responsibility, coverage and liability.

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WQCD-Durango District Office will continue to support U.S. EPA, the Colorado Department of Law, and WQCD-Denver as needed.

**Attachments:** November 23, 2004 inspection report form by WQCD.